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## Research Article

**Financial Problems in Uzbekistan during the Second World War and its Results****History**

**Keywords:** Uzbekistan, war, finance, money, reform, finance, card, industry, agriculture, trade, population.

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This article discusses the impact of the Second World War and its impact on the country's financial life, the deterioration of social life and the need for monetary reform, the card system, the decline in consumer goods, the black market, the deficit of money, and the Soviet government's troubles. Deficits in the state budget, increase in payments from the population, changes in working conditions, labor resources, mobilization of military products instead of consumer goods, measures to launch westernized industrial enterprises, and increase of military expenditures are provided by sources. The market price, the proposed currency swap, as well as simultaneous emergence of new Soviet currency and its replacement for short-term monetary targets have been identified as the major means of monetary reform, the recovery of money circulation, the "black" market and its functions, money exchange rate, preparations for monetary reform, special trade system development activities in the years ahead of reform in major cities, private retail stores and universals analytic comments on the sale of deficit food and industrial goods at commodity prices, closing down the price level of the market price, and the price increase. The monetary reforms in post-war years in the Soviet Union are analyzed by monetary reforms in other European countries in this period. In the post-war years in the Soviet Union, serious anti-money laundering measures and their consequences were investigated.

World War II was one of the biggest tragedies in history. Any war that requires a considerable amount of financial resources from a particular country. Uzbekistan became a participant of the war as one of the former Soviet republics. This made radical transformations in the political, socio-economic and cultural life of the republic, and forced all areas to focus on war.

The war also seriously affected the collection and distribution of the state budget. For example, the state budget of 1940 was 180 billion rubles. In 1942, the Russian ruble was worth 165 billion rubles. Revenues from national economy fell by 108 billion rubles from 158 billion rubles. The way of increasing public revenues at the expense of payments and contributions from the population. For example, the share of public revenues increased from 19 billion rubles in 1940 to 44.7 billion rubles in 1942 [3, p. 161]. However, government spending has gone from earnings. In the Soviet Union, for example, in the 1940s spent 174.3 billion rubles, in 1942, 182.8 billion rubles, including defenses for defense, rose from 56.7 billion rubles to 108.4 billion rubles. On the contrary, the funds spent on farms were reduced. The amount of funds spent for this purpose decreased from 58.3 billion rubles to 31.6 billion rubles. In the case of household income less than 32 percent, payments and contributions to the population have increased by 129 percent [3, p. 161].

The Soviet Union lost 1890 billion rubles in war. The state budget spent 551 billion rubles for the country's armed forces, which accounted for more than half of the budgetary resources. In 1942, 29 per cent of national income was spent on military expenditures, but in 1943 it was 36 per cent [16]. However, in the 1940 military sector, 7 percent of national income was spent [20, p. 65-67].

The budget deficit increased. For example, in the Soviet Union, the budget deficit of 1941 amounted to 19.2 billion rubles [17]. In 1941 alone, the state budget deficit amounted to 13.9 billion rubles removed.

With the start of the war, the whole country began to mobilize for the interests of production, labor and defense. Measures were taken to increase the production of military products instead of the consumer goods, and the rapid deployment of western industrialized enterprises. All the work was organized on the basis of war requirements and needs. From 26th of June, 1941 in the country the forced labor of employees and employees was introduced and extended from six-day working week to 11 hours for adults. Labor holidays were abolished and, as a result, without increasing the number of workers, it was possible to increase production capacity by 1/3 in Uzbekistan [10, p. 439-440].

Women, elderly and child's labor have been widely used. Schoolchildren are widely involved in factories and factories, engaged in agriculture. In 1940, the share of women among industrial workers increased from 34.0 percent in 1942 to 63.5 percent [7, p. 80].

In Uzbekistan, during the war years, 280 new enterprises were built, and industrial capacity in 1945 almost doubled compared to the 1940 level. In particular, oil production increased more than four times, machine building products - 13.4 times, coal production - more than 30 times, electricity production - by 2.42 times [19, p. 86].

Due to the market price and regulatory costs, the proposed currency swap approach, as well as the introduction of a new Soviet currency simultaneously and replacement of its short term monetary targets, have been identified as the major modalities of money reform, rather than focusing on money laundering , but also to break the economic power of "black" market businessmen. According to the authors' calculations, it was sufficient to fix the ratio of replacement of a new one to 3-4 rubles per one ruble of money.

The authors of another project also mentioned the low rate exchange rate during the monetary reform.

In November 1945, A.G. Professor of the Institute of Finance and Economics A.G.Zverev and based on Royhbarg, the Money Reform Project sent a letter to the 1: 4, 2 exchange rate course. On May 14, 1946, Chairman of the State Bank Administration of the USSR, according to Ya.Golev, the amount of cash required for normal exchange of agricultural goods is \$ 25-30 billion. The ruble offered to set the exchange rate of 1: 2, based on the calculation of the value.

By the end of 1944, preparations for a cash reform aimed at reducing cash flows and increasing public market funds began. There was a controversy between dealing with money laundering and limiting the influence of "black" market businessmen. On the contrary, positive results on the reduction of non-commodity cash are based on the economic cooperation between the USSR and the poorest peoples of the USSR. This was evidenced by the development of a special trading system from May 1944 to the years of reform in major cities.

The people with enough cash would have been able to buy deficit food and industrial goods at retail prices in their retail stores and universities.

The higher the prices were, the more Osobtorg kept the growth of the commodity turnover, and the price was lower than the market price. In this case, prices in state-owned stores are dropped twice, and the cost price increases at the same time to maximize the market price [17].

The process of implementing the monetary reform, that is, the differentiation of old money to new ones. According to the authors of the project, it is necessary to replace the money in lower classes and be beneficial for the buyers. One of the project managers, according to Dyachenko V.P, the high exchange rate set in the exchange rate is a strong blow to their operations.

As noted by the experts of the Ministry of Finance of the USSR on the money reform of 1947, "the rate of change of exchange rate by Politburo and personally by Stalin's orders was set at 1:10". This situation was related to the ability to control more and more cash flow movements more than to fight against the "black" market. Huge military spending required a large amount of money. This has happened in all the states participating in the war. At the same time, the quantity of products for sale of the population has decreased considerably. Commodity turnover declined [12, p. 3].

During the first three years of the war, the money supply of the Soviet state increased 2.4 times, during the entire war 4 times [5, p. 45].

German Finance Minister Shveren von Krozig writes: "The threat of a long war on economic concepts has disappeared, but the funds allocated to continue the war have been devastating. The major changes in the methods of warfare and material support have led to the following: Firstly, the financial factor for warfare is not decisive, and secondly, it is impossible to provide material savings without a certain degree of infliction of the modern war. The war broke out of financial stagnation and broke your money and made a revolution in the economic, social and political life of the country. These two directions will also have a holistic and full impact on the country's arms, if it is held on a massive scale "[8, p. 422]. These points were specific to all the warring countries. The long war has become a major factor in disrupting economic life. In particular, the former Soviet Union has also faced severe crises in these areas. Therefore, the states participating in the war required the strengthening of the monetary system to bring the economy to a peaceful life. Without it, the economy could not stand on its way.

In the post-war years of the Soviet Union, money reforms in other European countries show that there is almost no difference in the comparative analysis of monetary reforms in that period. Money reforms in the post-war years in European countries were not based on stabilization of the country's economy. It was difficult to maintain the currency stability in the economy based on market economy. In some European countries after the liberation of the German Nazi occupation, suddenly the monetary reform process began. For example, money reform was carried out in Belgium in October 1944, in France in June 1945, in July 1945 in July 1945, in July-October 1945 in Norway, in Norway in September-October 1945 [6]. After the German

occupation of these countries, the entire economy was abolished, and the national economy and public finances were shattered, and the budget deficit grew steadily. Money reforms in European countries did not aim to restore the gold standard of their money. It was impossible without the economic downturn in the whole country. New coins issued by them have only served paper money [6].

The process of monetary reforms in the European countries was almost the same. In a particular country, the old ones have been replaced by new ones. For example, in Belgium on October 6, 1944 all money was transferred to the money reform law and one person received only 5,000 francs of new money [18]. It was decided that the remaining funds of the population would be deposited with savings banks and banks [18].

After the monetary reform in Belgium, money mass sharply decreased and totaled \$ 100.8 billion. 28.5 billion francs fell on the franc. In the Netherlands, \$ 1.3 billion out of 5.5 billion gulden Norway, \$ 3 billion 1 billion dropped to crown [9, p. 100, 103]. However, in these countries currency depreciation continued, and the prices increased, and wages dropped. In these countries, the government was unable to put large taxes on private owners, fearing a slowdown in economic growth.

Францияда бу даврда амалга оширилган пул ислохоти бошқа давлатлардан бир оз фарқ килди. 1945 йил июнда Францияда эски пуллар чекланмаган миқдорда янгиларига алмаштириш бошланди [18]. Аммо эски пуллар ҳам муомалада қолдирилди. Франциянинг йирик тадбиркорлари оккупация қилинган ҳудудларнинг ҳокимият органлари билан алоқаларини давом эттириб, улар билан эски пуллар асосида савдо алоқаларини олиб борди. Францияда ислохотдан сўнг пул қадрсизланиши вақтинча тўхтаган бўлсада, аммо 1947 йилнинг бошидан бошлаб инфляция кучайди. Мамлакатда нарх-наво 60 фоизга кўтарилди. Жорий йилнинг бошида муомилада 187 млрд. франк бўлган бўлса, йил охирига келиб 921 млрд франкка етди. Аҳолининг турмуш даражаси урушгача бўлган даврга нисбатан 50 фоизга пасайди [18].

France's monetary reform in that period slightly different from other countries. In June 1945 France began replacing old sums with unlimited amounts of new ones [18]. However, the old coins were also abandoned. The major French businessmen continued their relationship with the authorities in the occupied territories and traded with old money on them. In France, after the downfall of money, the depreciation of money was temporarily halted, but in the beginning of 1947, the inflation grew. The country has risen by 60 percent. At the beginning of the year, the deal amounted to 187 billion soums. By the end of the year, the franc had reached 921 billion francs. The living standard of the population decreased by 50 percent compared to the pre-war period [18].

Money reform after the war in the post-soviet country was also far from the European monetary reform. The monetary reforms that took place during that period were characterized by confusion (confiscation). That is, these reforms have been largely transferred to the disadvantage

of the ordinary people or by plundering them. The ordinary people lost a little money. The living standards of the population have sharply decreased. Money reforms in various countries did not stop the infiltration.

In the post-war years, the rise in the value of money in the former Soviet Union and its "socialist" system was largely dependent on internal factors, and in western countries, depend on external factors. That is, foreign trade of western countries, debt of the country from neighboring countries, and attraction of foreign investments to the economy were important. In the Soviet Union, the existence of sufficient commodity for money circulation and the stability of the state budget played a key role in raising the value of money. The economy of the former Soviet Union continued its activity, separated from the world economy.

Money reform in post-war years was carried out in Czechoslovakia (October 1945), Hungary (August 1946), Bulgaria (March 1947), Romania (August 1947), Germany (June 21, 1948) [4].

In these countries, especially in Hungary, there is strong monetary deficit ahead of the reform, and the government has introduced new currency forints instead of old currency denominations. Instead of the "reysmark" in Germany, new money launderers were pulled out.

In 1946, the budget of the Uzbek SSR amounted to \$ 2 billion. 667 million When the ruble was \$ 3 billion in 1947, 148 million rubles. Funds of 1947 were mainly spent on national economy. For this purpose, 925 thousand rubles will be spent [15]. However, the amount of funds allocated from the budget to the social sphere was very small. For example, this year, the budget will allocate \$ 96 million for communal services. The ruble is allocated [15].

In the post-war years, the Soviet Union took serious measures to conduct money reform. For example, in May 1946, a Soviet commission for the abolition of the card system was set up in the Soviet Union, Mikoyan (chair), I.A.Voznesensky, A.G.Zverev, A.N.Kosygin, A.V.Lyubimov and N.S.Khrushchev became a member [6]. Cancellation of the card system was impossible without monetary reform.

On the eve of the monetary reform in our country, there were controversial ideas on the exchange of savings in savings banks for new money. Various suggestions were made on this subject. It was quite difficult to find out how the population saves the savings in the savings banks. Are the cash deposited in the savings banks earned due to the monthly salary of the worker and the employee, or the "black" market activity? Head of currency management under the USSR Ministry of Finance I.D. Zlobin was born on November 18, 1947. In his letter to Molotov, he proposes to replace the sum of 1,000 rubles at 1: 2, 3,000 - up to 1,000 rubles, which is stored in the savings bank at the rate of 1: 3, 10,000 rubles above 1: 4 [17, p. 213-214]. In this regard, the Monetary Reform Commission decided to replace the savings of the population by 3 thousand rubles in the amount of 1, 1, 10 thousand rubles to 1: 3. During the money transfer process, it was revealed that the population of more than 10 thousand rubles had reached 2955.7 mln. rubles, which accounted for 40.2% of the total sum [17, p. 111].

With the spread of rumors about money reform among the population, sales of precious merchandise and precious merchandise at stores were rising. Prices for industrial products rose 2-2.5 times. In addition, the population has increased their savings in savings banks. For example, according to Finance Minister A.G.Zverev, in the beginning of December 1947, the population of the country was 150-200 million every day. rubles are placed in savings banks [17, p. 258].

The central newspapers reported on the abolition of the card system: "In connection with the drought in some regions of the USSR and the decline in the state food supplies, the USSR Supreme Soviet decided to grant its motion of the Council of Ministers canceling the card system from 1946 to 1947 [ 13].

But in the Soviet Union, the population was not ready for monetary reform. On December 14, 1947, the USSR Council of Ministers and the Central Committee of the Communist Party of the Soviet Union issued a Decree "On the Money Reform and the Cancellation of the Card System for Food and Industrial Items" [12, p. 1]. The Decree states that since December 1947 new money has been issued, all cash transfers in public, state, cooperative and public enterprises, organizations and institutions, collective farms, replacement of old money into new money, , from December 16 to December 22, the old money was given to one ruble of 10 rubles, to the sum of 3,000 rubles from the savings banks, to recalculate 1 ruble to one ruble, to 10,000 It is defined that the sum of the money up to ruble is equal to two rubles of three rubles of new money [14].

In 46 thousand towns and villages of the former Soviet Union there were established cash points at the savings offices, post offices, offices of enterprises and organizations. RUB has been replaced. And 14.6 billion soums. The city of rubles, 13.2 billion. rubles in rural areas, replaced by 9 billion rubles in commercial establishments [11, p. 8].

The wars, of course, require a large amount of money, no matter what their content. World War II is a historic event that has spawned a huge amount of money that has caused great devastation in human history. The country's economic potential is almost entirely oriented towards the military and has almost never been focused on socio-cultural events. All the countries involved in the war have been exacerbated by the economic downturn, the financial system, and the currency circulation. These factors have led to the need for monetary reform. Almost all of the countries in the war were involved in the process of monetary reform during the war. Although the implementation of the monetary reform in the States has been the same, however, a significant difference has been observed.

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